



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	HB0515	Title:	Funding for distance learning and related technologies
Primary Sponsor:	Glaser, Bill E	Status:	As Introduced

- | | | |
|---|---|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input checked="" type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	\$161,250	\$325,000	\$650,000	\$1,300,000
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$161,250)</u>	<u>(\$325,000)</u>	<u>(\$650,000)</u>	<u>(\$1,300,000)</u>

Description of fiscal impact: HB 515 provides a distance learning technology payment to schools that enroll students in courses taught using distance learning technologies. The projected cost is \$161,250 in FY 2008, \$325,000 in FY 2009 and \$650,000 in FY 2010 and \$1,300,000 in FY 2011.

FISCAL ANALYSIS

Assumptions:

1. HB 515 creates a new general fund payment to schools for distance learning education. The payment is allocated based on the number of pupil instruction hours of distance learning courses taught during the prior school year. FY 2007 count of 645 students would generate a payment of \$161,250 in FY 2008.
2. The payment is \$250 for at least 135 pupil instruction hours up to 269 pupil instruction hours and \$500 for at least 270 hours of pupil instruction.
3. School districts are required to report distance learning providers to the Office of Public Instruction. For the 2006-2007 school year, school districts reported 645 students served by distance learning courses

taught be a licensed instructor. The three largest distance learning providers serving students in Montana are APEX learning, Montana Schools E-Learning Consortium, and United Star Distance Learning Consortium. (Source: Annual Data Collection, October 2006)

4. For purposes of this fiscal note, it is assumed HB 515 would require OPI to distribute funding to schools based upon the number of pupil hours students are enrolled in courses taught using distance learning technologies in the prior school year.
5. Students participating in "blended learning" will be included when the distance learning technology payment for a school district is calculated. Blended learning occurs when students are engaged with their content in a blend of both meeting with their instructors face-to-face in their classroom as well as using online platforms.
6. For purposes of this fiscal note, it is assumed that enrollments in distance learning courses will double each year in the 2009 biennium, if a distance learning technology payment is provided. Therefore, in FY 2008, 1300 students will enroll in distance learning courses each semester totaling approximately 180 hours of pupil instruction each at a cost of \$250 each in FY 2008. Pupil instruction hours in FY 2009 will be 2600 and pupil instruction hours for each year of the 2011 biennium will total 5200. The annual cost will be \$161,250 in FY 2008, \$325,000 in FY 2009, \$650,000 in FY 2010 and \$1,300,000 for years beyond FY 2010.

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Distribution to Schools	\$161,250	\$325,000	\$650,000	\$1,300,000
<u>Funding of Expenditures:</u>				
General Fund (01)	\$161,250	\$325,000	\$650,000	\$1,300,000
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$161,250)	(\$325,000)	(\$650,000)	(\$1,300,000)

Effect on County or Other Local Revenues or Expenditures:

The distance learning technology payment is to be 100% funded by the state. There is no property tax impact.

Long-Range Impacts:

1. HB 515 creates an incentive for school districts to utilize distance learning technologies.
2. School districts vary in their capacity (both in terms of human and financial resources) to take advantage of distance learning technologies and access to high speed internet services.

Technical Notes:

1. If school districts are not notified of their distance learning technology payments until after the end of the prior school fiscal year, it will be difficult to budget for the payment in the spring prior to the adoption of the district's budget.
2. Districts receive per ANB funding (20-9-311, MCA) under current law for distance learning students.
3. HB 515 needs clarification that the payment is to be made based on number of pupil instruction hours per student.

Sponsor's Initials

Date

Budget Director's Initials

Date